

**S.E.C. RULE 15c2-12  
ANNUAL REPORT  
FISCAL YEAR ENDED JUNE 30, 1997**

The State of California (the "State"), acting by and through the State Treasurer's Office of the State of California, hereby provides its annual report for the fiscal year ended June 30, 1997 in connection with the following:

**Bond Issue**

Name of Issue	Dated Date	Date of Continuing Disclosure Agreement
California State University Headquarters Building Authority Lease Revenue Bonds, Series B	9/1/97	10/9/97

The base CUSIP number for the bond listed above is 13077K - \_ \_ \_.

Note: The base CUSIP number provided is for the convenience of Bondholders. The State Treasurer's Office is not responsible for the accuracy or completeness of such numbers.

**Annual Report**

The State's "annual report" (as defined in the Continuing Disclosure Agreement for the Bonds) for the fiscal year ended June 30, 1997 consists of:

1. Financial information contained in Appendix A of the Preliminary Official Statement, dated March 13, 1998, with respect to \$115,015,000 of State Public Works Board of the State of California Lease Revenue Bonds (Department of Corrections Emergency Bed Program) 1998 Series A (the "March 13, 1998 Preliminary Official Statement"), which information is incorporated herein by reference. A copy of the March 13, 1998 Preliminary Official Statement has previously been filed with each of the Nationally Recognized Municipal Securities Information Repositories and is available from any of them.
2. The status of construction of the Project: Phase Two, the construction of the building is on schedule and is expected to be completed in early March, 1999. Phase Three will consist of the demolition of the Existing Building, construction of additional parking and a small park. The Third Phase will be bid during February, 1999 and is expected to be completed by approximately July, 1999.

3. Audited financial statements of the Trustees. This information is provided in Exhibit 1. To access Exhibit 1, click on the following link:  
<http://www.calstate.edu/tier3/acct/GenInfo/AuditedFINLS/97AudFS.pdf>
4. Information concerning the outstanding long-term indebtedness of the Trustees. This information is provided in the table in Exhibit 2 attached hereto.
5. In addition, as a part of the annual report, the Trustees confirm that the insurance required by Section 8 of the Sublease relating to the Bonds is in effect.

### **Other Matters**

This annual report is provided solely for purposes of the Continuing Disclosure Agreement. The filing of this report does not constitute or imply any representation (i) that all of the information provided is material to investors, (ii) regarding any other financial, operating or other information about the State or the Bonds, or (iii) that no changes, circumstances or events have occurred since the end of the fiscal year to which this report relates (other than as referred to in this report), or that no other information exists, which may have a bearing on the State's financial condition, the security for the Bonds, or an investor's decision to buy, sell, or hold the Bonds. The information contained in this report has been obtained from sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. No statement in this annual report should be construed as a prediction or representation about future financial performance of the State.

Dated: March 26, 1998

State of California

By     L. Steven Spears  
      Deputy State Treasurer

Table 5  
The California State University  
Statement of Revenue Bonded Indebtedness  
As of March 1, 1998

<u>Bond Issue</u>	<u>Outstanding Amount</u>
Headquarters Building Authority Revenue Bonds	30,680,000
Housing System Revenue Bonds (2)	197,188,000
Student Union Revenue Bonds:	
Bakersfield	1,675,000
Chico	385,000
Dominguez Hills	2,530,000
Fresno	4,765,000
Fullerton	10,215,000
Hayward	1,280,000
Humboldt	420,000
Long Beach	13,130,000
Los Angeles	6,490,000
Northridge	14,760,000
Pomona (1)	1,844,000
Sacramento	23,115,000
San Bernardino	2,990,000
San Diego	31,690,000
San Francisco	2,075,000
San Jose	23,325,000
San Luis Obispo	1,130,000
Sonoma	320,000
Stanislaus	970,000
Total Revenue Bonds Outstanding	370,977,000
State Public Works Board Lease Revenue	768,920,000
CSU Institute/CSU Deferred Maintenance	39,965,000
San Bernardino Continuing Education Building	1,715,000
	810,600,000
Total CSU Long Term Debt	1,181,577,000

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(1) Reflects the authorized amount of an interim loan from the California Pooled Money Investment Board, which the Trustees expects to refinance with student union revenue bonds.

(2) In prior years, the California State University Housing defeased certain bonds by placing the proceeds of the refunding bonds in an irrevocable trust with the State Treasurer. The net proceeds of these refundings are invested by the Treasurer in U.S. Securities until the old bonds are redeemed. The above noted amount does not include the old bonds sustained by the irrevocable trust held by the State Treasurer.